

COASTAL VILLAGES REGION FUND CDQ QUARTERLY REPORT

JANUARY 1 THROUGH MARCH 31, 2003



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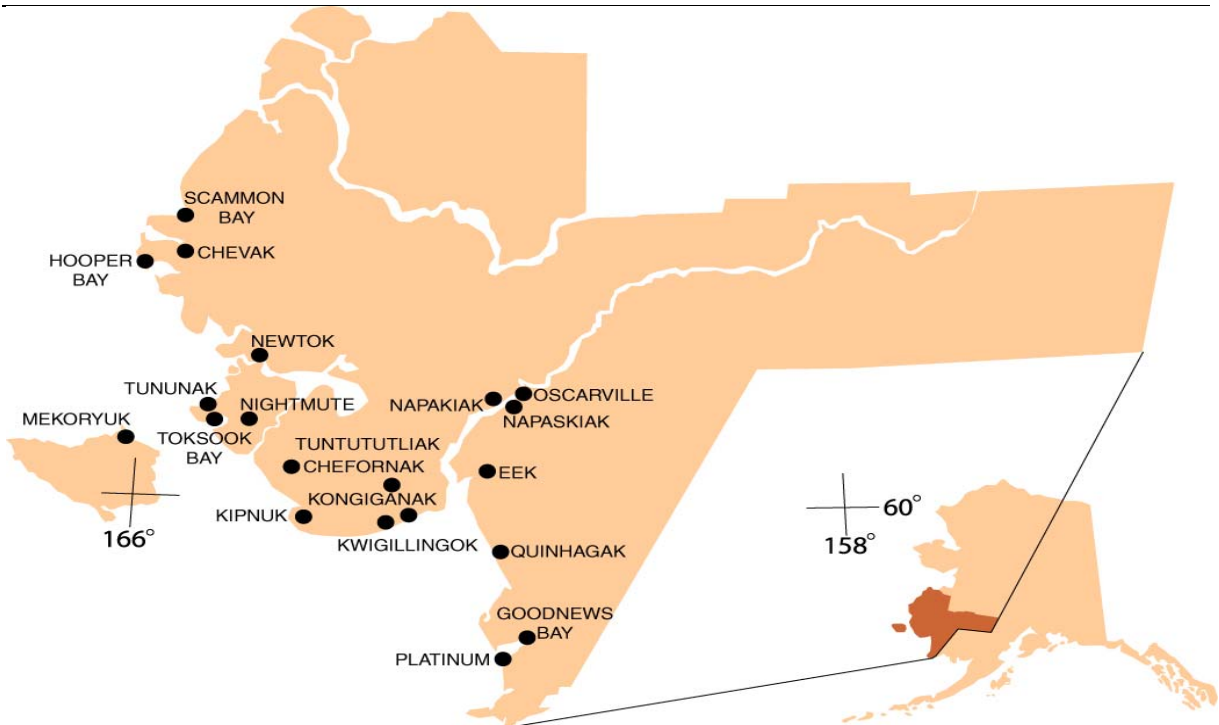


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I. Quarterly Highlights

The Quarterly Highlights section contains an overview of the activities and projects that CVRF had during the 1st Quarter. These highlights will provide the reader with a general understanding of the progress being undertaken by CVRF to accomplish the goals and programs contained within our 2001-2002 Multi-Species CDP.

- CVRF signed a letter of intent to acquire 50% of a crab catcher/processor and a crab catcher vessel. This transaction closed in April of 2003.
- Tax Assistance Program provided the preparation of 1,051 federal income tax returns.
- The loan recipients from the 2002 loan cycle attended a loan training class in Bethel. Rudy Tsukada, Business Development Specialist and Angie Pinsonneault, Controller facilitated the training.
- In March of 2003, the loan committee approved another round of loans for twelve individuals totaling \$167,736.
- A contract was signed with NorQuest Seafoods to purchase and process all of the herring in the Goodnews Bay, Nelson Island, Nunivak Island, Cape Avinof, Cape Romanzof.
- CVS signed during the 1st Quarter of 2003 a contract with the Paug Vik Corporation to build additional halibut plants in Mekoryuk and Toksook Bay to expand their existing operations.
- CVRF has begun negotiations with Leland Johnson & Associates, an engineering firm, to begin the preliminary design for a fishery support center that could be located in any community. Contracts will be finalized in the 2nd Quarter with the engineering and construction firm for at least one new fishery support center in 2003. The fishery support center is envisioned to consist of an area for boat and net repair, office space, bunk space, and storage space for fishery operations in the community.
- Edward Kiokun from Mekoryuk was hired as Administrative Program Assistant intern for the Anchorage office.
- The Louis Bunyan Memorial Scholarship awarded 53 applicants totaling \$73,567.
- Community Program Managers and Community Liaisons administered Drug Tests in January for the 2003 A Season.
- A CVRF newsletter was distributed in February.
- Newspaper ads were put in the Delta Discovery and Tundra Drums for the Louis Bunyan Memorial Scholarship and Loan Program deadlines, Community Liaison positions, and recruitment for the CVS Salmon Season.
- The Loan Program and the Louis Bunyan Memorial Scholarship sponsored the Native News on KYUK and KSKD radio stations.
- Community Program Managers and Employment Coordinator traveled to CVRF member communities to recruit for Community Liaisons, CVS Salmon and Halibut Processors, Refrigeration, Fillet and Mince, and HAACP Training.
- 9 Community Liaisons were hired from the CVRF communities.
- A Community Liaison Orientation was conducted in Bethel for 12 liaisons. In attendance were Community Program Managers, 4 SITE Coordinator, Employment Coordinator and the Rural Recruiter.
- Verla Mojin, Employment Coordinator and Valerie Maxie, Rural Recruiter attended and made a presentation to the Youth and Elders Conference in Napaskiak.
- An Orientation for Success was conducted to 15 outgoing first time crewmembers for American Seafoods.
- Community Program Managers and Employment Coordinator met with the following organizations during their recruiting trips: Kuskokwim Campus, Lower Kuskokwim School District, Alaska Job Service, AVCP Employment and Training Dept., and the State of Alaska Scholarship administrator.
- Community Program Manager, Greg Slats and Board Treasurer, Tim Sampson made a presentation at the Kipnuk Council Meeting.
- The Louis Bunyan Memorial Scholarship segment was aired on Heartbeat Alaska.
- A successful training for Refrigeration and Fillet Mince Training was held in Indian Valley to 15 region members that will work in the CVS plants this summer.
- Community Liaisons attended a READ training at the Kuskokwim Campus.
- Board member, Johnny Hawk from Eek attended a parliamentary training in Qunault, WA.

II. Community Development

A. 2003/2005 Comprehensive Milestone Table for all:

Proposed Projects and Programs:

Offshore Harvesting, Processing, and Investment Program:

Crab Vessel Investments:

1. Investigate vessels or vessel owning companies in the crab sector, including conducting due diligence and researching the issues surrounding the target species when necessary.

In the 1st Quarter, Coastal Villages Crab LLC (CVC) investigated two companies holding crab vessels, conducted due diligence and researched issues surrounding CDQ crab.

2. Coastal Villages Crab, LLC will work together with new crab sector investment partners to provide an analysis prior to the fishing season outlining the maximum capacity of the vessel to harvest target species. If necessary, additional arrangements will be made to lease harvesting rights to other buyers.

In the 1st Quarter, CVC worked with its new crab harvesting and investment partner to provide an analysis of the company's capacity to harvest 2003 Opilio tanner crab. No additional arrangements to lease CDQ to other buyers were necessary.

3. Monitor new investments in the crab sector, including monitoring quota and financial information.

In the 1st Quarter, CVRF monitored the 2003 CDQ Opilio tanner crab harvest, and results of operations of its new crab harvesting and investment partner.

Groundfish Vessel Investments:

Pacific Cod Investments:

4. Investigate vessels or vessel owning companies in the pacific cod sector, including conducting due diligence and researching the issues surrounding the target species when necessary.

In the 1st Quarter, Coastal Villages Longline LLC (CVL), investigated one vessel currently participating in the Pacific cod sector.

5. Coastal Villages Longline, LLC will work together with new pacific cod investment partners to provide an analysis prior to the fishing season outlining the maximum capacity of the vessel to harvest target species. If necessary, additional arrangements will be made to lease harvesting rights to other buyers.

CVL had no new investment partners in the 1st Quarter of 2003, so no capacity analysis or additional arrangements were necessary.

6. Monitor new investments in the pacific cod sector, including monitoring quota and financial information.

CVL had no new investments in the Pacific cod sector in the 1st Quarter of 2003, so quota harvest monitoring and performance monitoring were not necessary.

Flathead/Rock Sole/Yellowfin Sole Investments:

7. Investigate vessels or vessel owning companies in the Flathead/Rock Sole/Yellowfin sole sector, including conducting due diligence and researching issues surrounding target species when necessary.

In the 1st Quarter of 2003, Coastal Villages Groundfish LLC (CVG) conducted preliminary investigation of a vessel owning company in the flathead, rock and yellowfin sole sector.

8. Coastal Villages Groundfish, LLC will work together with new investment partners to provide an analysis prior to the fishing season outlining the maximum capacity of the vessel to harvest target species. If necessary, additional arrangements will be made to lease the harvesting rights to other buyers.

CVG had no new investment partners in the 1st Quarter of 2003, so no capacity analysis or additional arrangements were necessary.

9. Monitor new investments in the Flathead/Rock Sole/Yellowfin sole sector, which includes reviewing quarterly and annual financial information.

CVG had no new investments in the Pacific cod sector in the 1st Quarter of 2003, so quota harvest monitoring and performance monitoring were not necessary.

Inshore Harvesting, Processing, Investment and Infrastructure Program:

Fuel Delivery:

10. Facilitate early spring fuel deliveries and/or reserves to insure that local fishermen will have necessary fuel for fishing for the season.

CVRF canvassed all membership villages in February 2003 to help estimate the need for bringing in additional gasoline for spring commercial fishing. Preliminary inquiries were made to arrange for additional deliveries where shortages may occur. No immediate emergency fuel needs were identified at the time.

11. Investigate retail fuel opportunities in the region as a means to provide affordable fuel to fishermen.

In the 1st Quarter of 2003, CVRF continued to investigate retail fuel opportunities in the region as a means to provide affordable fuel to fishermen.

New Halibut Plant:

12. If adequate halibut quota is available, expand halibut buying operations in one additional community.

During the 1st Quarter of 2003, CVS signed a contract with the Paug Vik Corporation to build additional halibut plants in Mekoryuk and Toksook Bay to expand their existing operations.

13. Operate using a local work force. Hire outside workers only to teach certain skills to local workers.

All plant managers for the halibut plants are local residents. All recruiting effort for employees will be focused in region.

14. After plant is built, have plant operational and ready to buy halibut by June 1. Plants will begin buying halibut when fishermen begin fishing.

The halibut plants being constructed in Mekoryuk and Toksook Bay are anticipated to be operational by August 2003.

Commercial Fisheries Support Businesses:

15. Assist in starting one or more businesses that support the Inshore Program, through loans and other technical services - potential businesses include, gear suppliers, construction contractors, and repair services.

CVRF has begun negotiations with Leland Johnson & Associates, an engineering firm, to begin the preliminary design for a fishery support center that could be constructed in any of our twenty communities. CVRF also hired an additional business development specialist to oversee this new project. Contracts will be finalized in the 2nd Quarter with the engineering and construction firm for at least one new fishery support center in 2003. The fishery support center is envisioned to consist of an area for boat and net repair, office space, bunk space, and storage space for fishery operations in the community.

Project Management:

16. At the request of the communities, CVRF will assist in receiving funding for community projects, by providing technical support in grant preparation or referring them to a qualified grant writer.

In the 1st Quarter of 2003, CVRF referred one non-fisheries related economic development (NFRED) funding request to Northern Managers for grant writing assistance.

17. Assist communities with planning of community projects and implementation of procedures to operate projects effectively and efficiently.

CVRF received no requests for planning or implementation of community projects this quarter.

New Operations for Other Species in the Region:

18. Investigate other species in the region to determine the feasibility of providing operations to buy these species from local fishermen – potential species are Tom Cod and Saffron.

CVRF business development specialist visited Mekoryuk, Toksook Bay, and Quinhagak during the 1st Quarter. During the visits, various species of fish including tomcod, sticklebacks (needlefish), burbot (lush), & whitefish were examined and sampled. More sampling will be required before a more in depth review of the market opportunity is possible.

19. If feasible to harvest and market, provide buying stations and processing facility for the fishermen.

No action taken for this item in the 1st Quarter of 2003.

20. If feasible to harvest and market, hire local residents to operate facility through Coastal Villages Seafoods with the intent to turn over to the community.

No action taken for this item in the 1st Quarter of 2003.

Marine Safety Program:

21. Implement a marine safety program for local fisherman that will provide training and awareness skills regarding prevention of marine accidents and safeguards.

In the 1st Quarter of 2003, CVRF made various contacts with other marine safety programs to develop ideas to finalize our program. Plans were made to provide equipment and training for CVRF fishermen before spring fishing started.

22. Develop a safety packet or brochure to distribute to the residents of our communities that illustrates safety procedures.

CVRF took initial steps to design a safety brochure for distribution to our member communities.

23. Assist fishermen in purchasing proper safety equipment through the loan program and paid through our fishermen advances.

CVRF took steps to identify appropriate safety equipment for local fishermen to purchase at cost.

24. Provide CVRF communities the necessary navigational and/or preventive provisions to aid in marine safety, rescue, or prevention.

In the 1st Quarter of 2003, CVRF surveyed our member communities for desired navigational and safety equipment. Requests for bids on equipment were advertised.

Insurance Cooperative for the Fishermen:

25. Investigate the potential of organizing a marine insurance fleet program for regional fishermen to reduce their insurance costs.

No activity in the 1st Quarter.

Active Projects and Programs:

Offshore Harvesting, Processing, and Investment Program

Crab Vessel Investments (50% owner of Silver Spray):

26. Silver Spray and Coastal Villages Crab, LLC will work together to provide an analysis prior to the fishing season outlining the maximum capacity of the Silver Spray to harvest target species. If necessary, additional arrangements will be made to lease harvesting rights to other buyers.

In the 1st Quarter, CVC worked with its crab investment partner Silver Spray Fisheries LLC (Silver Spray) to provide an analysis of the company's capacity to harvest 2003 Opilio tanner crab. No additional arrangements to lease harvesting rights to other buyers were necessary.

27. Continue to monitor the investment in Silver Spray, to include monitoring quota and financial information.

In the 1st Quarter, CVC continued to monitor the 2003 open access Opilio tanner crab harvest, and results of operations of Silver Spray.

Groundfish Vessel Investments:

Sablefish Vessel Investments (45% owner of Kokopelli Fisheries):

28. Kokopelli Fisheries and Coastal Villages Longline, LLC will work together to provide an analysis prior to the fishing season outlining the maximum capacity of the Ocean Harvester to harvest target species. If necessary, additional arrangements will be made to sell the harvesting rights to other buyers.

In the 1st Quarter, CVL worked with its sablefish (black cod) and halibut harvesting and investment partner Kokopelli Fisheries LLC (Kokopelli) to provide an analysis of the company's capacity to harvest 2003 sablefish and halibut. Additional arrangements to lease harvesting rights to other buyers were determined necessary, and CVRF began negotiations with an additional harvesting partner.

29. Continue to monitor the investment in Kokopelli, to include monitoring quota and financial information.

In the 1st Quarter, CVL continued to monitor Kokopelli financial information. There was no quota harvested in the 1st Quarter of 2003.

Pacific Cod Vessel Investments (20% owner of Ocean Prowler, 20% of Prowler and through American Seafoods, 25.5% owners of Pacific Longline Company):

30. Ocean Prowler, Prowler and Coastal Villages Longline, LLC will work together to provide an analysis prior to the fishing season outlining the maximum capacity of the Ocean Prowler to harvest target species. If necessary, additional arrangements will be made to lease harvesting rights to other buyers.

In the 1st Quarter, CVL worked with its Pacific cod investment partner Ocean Prowler and Prowler to provide an analysis of the company's capacity to harvest 2003 Pacific cod. No additional arrangements to lease harvesting rights to other buyers were necessary.

31. Continue to monitor the investment in Ocean Prowler and Prowler, including monitoring quota and financial information

In the 1st Quarter, CVL was unable to monitor its investments in Ocean Prowler and Prowler. There was no CDQ harvested in the 1st Quarter of 2003.

32. Pacific Longline Company and Coastal Villages Pollock, LLC will work together to provide an analysis prior to the fishing season outlining the maximum capacity of PLC fleet to harvest target species. If necessary, additional arrangements will be made to lease harvesting rights to other buyers.

In the 1st Quarter, CVP worked with its Pacific cod harvesting and investment partner PLC to provide an analysis of the company's capacity to harvest 2003 Pacific cod. No additional arrangements to lease harvesting rights to other buyers were necessary.

33. Continue to monitor the investment in Pacific Longline Company, to include monitoring quota and financial information.

In the 1st Quarter, CVP continued to monitor the 2003 open access and CDQ Pacific cod harvest, and results of operations of PLC.

34. Explore the possibility of expanding our equity interest in Ocean Prowler and Pacific Longline Company.

No activity in the 1st Quarter.

Pollock Vessel Investments (38.95% owner of American Seafoods):

35. American Seafoods and Coastal Villages Pollock, LLC will work together to provide an analysis prior to the fishing season outlining the maximum capacity of the American Seafoods vessels to harvest target species. If necessary, additional arrangements will be made to lease harvesting rights to other buyers.

In the 1st Quarter, CVP worked with its pollock harvesting and investment partner ASC to provide an analysis of the company's capacity to harvest 2003 pollock. No additional arrangements to lease harvesting rights to other buyers were necessary.

36. Coastal Villages Pollock, LLC will continue to participate on the American Seafoods board of directors in an effort to monitor the investment, retain a voice in the operation of the company, and assist in furthering the purposes of the company.

CVP has had active participation on the American Seafoods board since the completion of the investment. During 2003, the Executive Director and the Director of Finance has participated in every American Seafoods board meeting.

37. Explore the possibility of expanding our equity interest in American Seafoods.

No activity in the 1st Quarter.

Flathead/Rock Sole/Yellowfin Sole Investments (20.09% owner of the Cape Horn Fisheries):

38. Cape Horn Fisheries and Coastal Villages Goundfish, LLC will work together to provide an analysis prior to the fishing season outlining the maximum capacity of the Cape Horn to harvest target species. If necessary, additional arrangements will be made to lease harvesting rights to other buyers.

In the 1st Quarter, CVG worked with its investment partner Cape Horn to provide an analysis of the company's capacity to harvest 2003 groundfish. No additional arrangements to lease harvesting rights to other buyers were necessary.

39. Continue to monitor the investment in Cape Horn, including monitoring quota and financial information.

In the 1st Quarter, CVG continued to monitor Cape Horn financial information. There was no quota harvested in the 1st Quarter of 2003.

Inshore Harvesting, Processing, Investment and Infrastructure Program:

Kuskokwim Bay Salmon Operation:

40. CVS will continue to develop its quality products relevant to the market and develop a regional marketing program tied to quality standards.

Applied for the Alaska State Salmon Marketing grant during the 1st Quarter of 2003. This grant is specifically designed to promote regional branding and promotion of salmon products. The grant is administered through the State of Alaska's Department of Community and Economic Development. Coastal Villages Seafood applied for \$129,000 worth of funding for 2003.

41. Purchase all District W-4 and W-5 salmon each year.

In 2002, Coastal Villages Seafood purchased all of the salmon in these two districts. It is likely that the CVS will be the only purchases in these two districts in 2003 as well.

42. Assist fishermen by providing advances for gear and fuel purchases, and paying fishers in a timely manner upon delivery.

Purchases of fishing gear financed through CVS's gear advance program began in the 1st Quarter of 2003. The gear was mainly for the herring and halibut fishery.

43. Conduct successful employment and training program, including filling all available positions with local hire, with outside workers hired only to acquire and teach a certain skill level.

During the 1st Quarter of 2003 CVS conducted two separate training classes. The first class was for salmon fillet and mince program held from February 24th through March 7th. 10 students began the 10-day course with 9

students completing the training. The nine students who completed the training not only studied fillet and mince techniques, but also earned their HACCP certification as well.

Between March 10-14th, CVS held a class on basic refrigeration principles for 6 students. Both classes were held out at Indian Valley Meats, Inc. All students were from rural communities in our area.

44. Investigate transportation savings and/or opportunities in the region to support the shoreside processing projects by reducing costs.

During the 1st Quarter, held meetings with various air and water carriers to discuss transportation issues. A new freezer is being installed at the Quinhagak plant to have greater flexibility and achieve greater transpiration savings by freezing fish for water transportation than sending them out fresh via more expensive air transportation.

A favorable rate was also negotiated with the tender F/V Robert J to haul cargo into Quinhagak in preparation for the start of the season and also to haul equipment out of Quinhagak at the end of the season.

Halibut Operation:

45. CVS will continue to operate the six community halibut plants and purchase halibut at the plant in Quinhagak.

Preparation and pre-season equipment purchases are being made for all 6 halibut plants plus the Quinhagak salmon plant in anticipation of purchasing halibut at all of the locations.

46. Conduct successful employment and training program, including filling all available positions with local hire, with outside workers hired only to acquire and teach a certain skill level.

During the 1st Quarter of 2003 CVS conducted two separate training classes. The first class was for salmon fillet and mince program held from February 24th through March 7th. 10 students began the 10-day course with 9 students completing the training. The nine students who completed the training not only studied fillet and mince techniques, but also earned their HACCP certification as well.

Between March 10-14th, CVS held a class on basic refrigeration principles for 6 students. Both classes were held out at Indian Valley Meats, Inc. All students were from rural communities in our area.

47. Have each plant operational and ready to buy halibut by June 1. Plants will begin buying halibut when fishermen begin fishing.

Preparations are under way to have the plants operations as outlined above. Due to some complications in the lease agreement, the halibut plant in Tununak may open slightly behind schedule.

48. Process all 4E halibut in local plants each year.

During the 1st Quarter, no halibut has been purchased at the local plants.

Herring Operation:

49. CVS will analyze the success and hindrances with the price-incentive herring program started in 2002 and determine whether to continue, modify, or terminate the program, in conjunction with the herring fishermen.

CVS will be participating in the following districts in 2003: Goodnews Bay, Nelson Island, Nunivak Island, Cape Avinof, Cape Romanzof. A contract was signed with NorQuest Seafoods to purchase and process all of the herring in the districts listed above.

50. Assist fishermen in achieving a higher roe recovery rate, through training and education, if such a project is determined to be feasible.

CVS has a gear advance program for herring fishermen that require purchase of a minimum mesh size to promote the catch of larger more mature herring. Rudy Tsukada, COO of CVS visited Mekoryuk & Toksok Bay during the 1st Quarter of 2003 to educate fishermen in the Nunivak Island district and the Nelson Island district about CVS's herring program.

51. Conduct herring committee meetings in order to get the public opinion of the fishery.

The CVS board dissolved the herring committee during the 1st Quarter of 2003. The CVS board was expended from 3 to 5 in order to retain the members of the herring committee. The CVS board met several times during the 1st Quarter of 2003. In order to gauge the public opinion, CVS COO plans to visit a community in each of the five herring districts before the season begins. During the 1st Quarter of 2003, Nunivak Island and Nelson Island districts had been visited by the COO of CVS.

Sportfish Guiding Service (33.3% owner of the Arolik River Sportfishing):

52. CVRF will continue to participate in the sport fish guiding industry within the region as an investor and will consider expansion into additional areas within its region.

CVRF continues to participate in the sport fish guiding industry as a partner in Arolik River Sportfishing, LLC. CVRF also continues to watch for new investment opportunities in the industry.

53. For any expansion or additional investments, CVRF will complete its due diligence process, and decide whether or not to proceed.

Not applicable for 1st Quarter of 2003.

54. Continue to monitor the investment in Arolik River Sportfishing, LLC.

Arolik has not yet started any guiding activities for 2003.

4-SITE Program

4-SITE Project and Support Services

55. Award scholarships for region residents for academic or vocational training.

The LBMS Advisory Committee reviewed 60 applicants for the Spring 2003 semester in December 2002. 53 applicants were approved for the scholarship totaling \$73,567, however to date 39 scholarships were awarded totaling \$55,447.

The next deadline is May 31st for the fall 2003 semester.

56. Maintain a scholarship committee that reviews all applications for scholarships.

During the annual board meeting in November 2002, the CVRF Board of Directors appointed 3 board members, a region School Site Administrator, and the Employment Coordinator to the Scholarship Advisory Committee to oversee the administration of the Louis Bunyan Memorial Scholarship.

57. Make available internships and apprenticeships within CVRF, its subsidiary companies, and its affiliated partner companies to prepare region residents for management positions in the companies and fishing industry.

CVRF advertised for an intern in all 20-member communities through flyers, satellite staff, and the local newspapers. In February, a resident of Mekoryuk was hired by CVRF for a 3-month internship.

58. Continue to require interns to design and complete, as a requirement of their internship, village-based improvement projects that support or compliment a goal identified in CVRF's Community Development Plan, or an administrative plan used by CVRF or it's partners.

Administrative Program Assistant intern, Edward Kiokun completed his CDP project. His project was to create a check list information sheet for each applicant file for ease to enter information into the CVRF 4-Site database.

59. Conduct training programs for region residents to build skills required in the companies in the fishing industry.

CVRF conducted a skills for success orientation for 15 individuals in January at Bethel for new processors going to work off-shore for the first time with American Seafoods. CVRF also provided fillet and mince training to 10 local residents and refrigeration training to 6 local residents in preparation for the 2003 salmon and halibut season. HACCP training for 11 local residents is expected to occur in April as well.

60. Continue to staff the CVRF's 4-SITE program to conduct training and job placement.

The 4-SITE program support staff includes the 4-SITE Coordinator, Employment Coordinator, Rural Recruiter, Community Program Managers, and Community Liaisons. CVRF anticipates hiring a Community Liaison in each of the 20 member communities to conduct and support the mission of the 4-SITE program and related services. CVRF currently has 12 Community Liaisons in the region, 9 of 12 new liaisons were hired in the 1st Quarter. Advertisement and recruitment for additional liaisons is currently on going for communities through local newspapers and outreach.

61. Conduct a recruitment and employment program for village residents in a variety of job and career opportunities in fisheries and related service industries. Fisheries and related service industries include: crab processing, bottom trawling, pacific cod, sablefish/halibut, pollock, halibut processing, salmon processing, value-added, and non-CDQ processing.

The Rural Recruiter, Community Liaisons, Community Program Managers and the Employment Coordinator recruited in member communities and other region villages recruit for processors/crewmembers in CVRF fishing industry partners in the 1st Quarter. 4-SITE presentations were conducted to high school students for careers in the fishing industry during the recruitment trips.

62. Initiate and maintain Skills for Success Program with member villages to assist region residents in understanding the requirements of the work place, becoming eligible to enter into employment, and developing the skills to be successful.

The Orientation for Success was presented to 15 first time crewmembers that were offered a position with American Seafoods for the A Season. The 4-SITE Coordinator, Employment Coordinator and a Community Liaison facilitated the orientation that covered requirements of the work place, becoming eligible to enter into employment, and developing the skills to be successful in the off-shore fishing industry.

63. Sponsor Junior Achievement of Alaska in member villages and facilitate the expansion of the program throughout the region.

In the 1st Quarter of 2003, CVRF continues to sponsor JA in Scammon Bay, Chevak, Hooper Bay, Mekoryuk and Toksook Bay. Plans to expand program delivery to Napaskiak, Tuntutuliak, Kongiganak, Eek, Quinhagak and Newtok in the fall of 2003 were also made this quarter.

64. Continue to initiate and maintain Coastal Villages Youth Leadership Program (CVYLP) in member villages.

In the 1st Quarter of 2003, CVRF continued to maintain its Youth Leadership program in Hooper Bay, Mekoryuk, Toksook Bay and Chevak. Efforts to expand the program to Cheforak, Eek, Kongiganak, Napakiak, Napaskiak, Newtok, Oscarville, Quinhagak, Scammon Bay and Tuntutuliak were initiated this quarter.

65. Continue to initiate and maintain Rural Education Adult Development (READ) program for member village residents.

In the 1st Quarter of 2003, CVRF continued to initiate and maintain its READ program for all 20 member communities. Eighty-six (86) people registered for tests of adult basic education skills, and 3 earned general educational development (GED) diplomas this quarter.

66. Outgoing first time crewmembers will participate in the Coastal Villages' "Orientation for Success.

The Orientation for Success was presented to 15 first time crewmembers that were offered a position with American Seafoods for the A Season. The 4-SITE Coordinator, Employment Coordinator and a Community Liaison facilitated the orientation that covered requirements of the work place, becoming eligible to enter into employment, and developing the skills to be successful in the off-shore fishing industry.

Fisheries Support & Development Project:

Loan Program:

67. Maintain the CVRF loan program serving the needs of individual commercial fishermen and fisheries-related businesses in region.

The CVRF loan committee approved a new round of loans totaling \$148,882 in November 2002. The loan recipients attended a loan training class in Bethel in January taught by the Bethel Wells Fargo representative, Rudy Tsukada, and Angie Pinsonneault. Three loan recipients either opted out of the program or were denied funding due to changing circumstances, making the total funding dispersed \$118,373.

In March of 2003, the loan committee approved another round of loans for twelve individuals totaling \$167,736. The loan training class is scheduled for April 16, 2003, and will be taught by the Bethel Wells Fargo representative, Lynn Wallona, and Jenny Koenig. Funds will be dispersed shortly thereafter.

68. Continue to provide the opportunity to assist fishermen in the purchase of additional halibut and sablefish Quota Shares.

CVRF did not receive any requests to purchase halibut or sablefish quota.

69. Continue to conduct an outreach initiative to promote the loan program in the region.

The loan program was promoted in our newsletter, in the Delta Discovery, and in the Tundra Drums. It was also announced at KYUK and the Chevak radio station.

70. Continue loan committee meetings to discuss loan program, review applications, and address areas needing modification. .

The loan committee met on March 25, 2003 to review and make determinations on the March 15, 2003 round of applicants. Committee members offered suggestions on how to improve the review process. These changes will be implemented October 2003 with the next round of applicants.

Tax and Permit Assistance Program:

71. Continue to Support VITA program in CVRF member villages during the tax-filing season.

In the 1st Quarter of 2003, CVRF continued to support the volunteer income tax assistance (VITA) program administered by the Alaska Business Development Center by funding travel expenses for volunteers to visit 12 CVRF member communities. This quarter, assistance was provided to help prepare 1,051 federal income tax returns. These returns should net \$999,225 for local residents in tax refunds.

72. Assist taxpayers who are in danger of losing their permits.

In the 1st Quarter of 2003, CVRF received no requests for assistance from area residents.

73. Help or refer local residents who are requesting tax assistance.

In the 1st Quarter of 2003, CVRF received no requests for tax assistance.

74. Obtain permits for fishermen from the CVRF region.

Permits will be obtained during the second Quarter of 2003.

Outreach Plan

Outreach Project:

75. Provide information to the member communities, through various formats, on opportunities available through the CDQ program, on activities undertaken by CVRF and its subsidiaries, and on the region's fishing industry.

The following activities are due to the CVRF Outreach program:

The CVRF newsletter was disbursed in February to every box holder of member communities. Newspaper ads on CVRF's 4-Site programs and loan program were placed with both the Tundra Drums and Delta Discovery. Fliers were posted in the communities regarding 4-Site opportunities and the loan program. 4-Site staff and support service staff traveled to member communities for outreach on CVRF programs and opportunities.

76. Continue to provide CVRF newsletters and annual reports to the region.

The CVRF newsletter was distributed in February to every CVRF member box holder and region business contacts.

77. Continue to support potlatches in the region.

CVRF, CVS, and American Seafoods contributed to potlatches in Chevak and Hooper Bay.

78. Maintain and update website of all CVRF affiliated organizations.

The CVRF website was designed in 2001 and can be found at www.coastalvillages.org. CVRF continues to monitor the website and update it when necessary.

79. Assist communities in planning for projects that can be supported by the CDQ program (i.e., fisheries-related) or that require support from outside funding sources.

In the 1st Quarter of 2003, CVRF began the process of initial planning for a comprehensive, fisheries-related construction plan for 2003-2005, including unified community support and land/site selection. CVRF also assisted one community in initial planning for a project that falls outside of current CDQ regulations.

80. Participate in the CDQ Human Resources Group to improve employment programs in CVRF-related programs and in the fishing industry.

The last CDQ Human Resources Group met during the 10 year CDQ anniversary celebration in Anchorage which CVRF sent the Employment Coordinator and a support staff member to attend.

81. Participate in the development of the inter-organizational committee for regional training initiatives.

CVRF continues to participate on an inter-organizational committee, the Yuut Elitnaurviat (Peoples Learning Center) committee. The committee members include: CVRF, Yukon-Kuskokwim Health Corporation, Lower Kuskokwim School District, UAF Kuskokwim Campus, the Alaska National Guard, the Association of Village Council Presidents (AVCP), AVCP Regional Housing Authority, and the City of Bethel. The regional learning center will provide learning services to both youth and adults needing additional skills to enter high skilled, high wage jobs, and to further baccalaureate or graduate programs.

82. Support and operate programs that will assist region residents to become successful role models and leaders in their communities.

CVRF provides human resource development opportunities to member residents through the 4-SITE and Support Service programs (Junior Achievement, Youth Leadership, Adult Education). CVRF now has 12 Local Community Liaisons along with 3 Community Program Managers at CVRF member communities to deliver these programs.

CVRF Development Project

CVRF Development Project:

83. Conduct on-going analysis of capabilities and performance of staff, board and resources in the region.

The staff receives annual evaluations to help management analyze their capabilities and performance. CVRF employs a Rural Recruiter, Employment Coordinator, Community Program Managers, and Community Liaisons who recruit in the region for 4-Site opportunities with CVRF, its subsidiaries, and industry partners.

84. CVRF will maintain “Standards of Leadership” for Board of Directors by annual review of Board standards policies and administration of Oath of Office.

All Board members are held accountable to the Standards of Leadership. Any behavior by a Board member acting in conflict with those standards is addressed through the Board’s formal disciplinary process. All new Board members receive copies of the Standards of Leadership and other Board policies pertaining to their service on the CVRF Board. The Board handbook is updated annually prior to the annual Board meeting.

85. Continue to implement the 360-degree performance feedback system for senior management.

A 360-degree performance evaluation was selected in 2001. Since then, the 360-degree performance evaluation occurred each November for the Executive Director, with senior management participating. In 2002, the Board of Directors approved a new performance evaluation format for the Executive Director’s annual evaluation to reflect issues pertaining to the CDQ program, CVRF, and the Executive Director’s performance.

86. CVRF will maintain its Continuous Improvement (CI) Model for Board and Management, including the holding of an annual Board retreat.

New Board of Directors received a Board Orientation in Bethel by management. Current Board of Directors were invited to attend the orientation as a refresher and continuous improvement. The annual Board retreat is scheduled for May 2003. For continuous improvement purposes, CVS support staff completed a safety video for CVS employees in February 2003. Also for continuous improvement purposes, the 4-Site team is creating a 4-Site CD Rom for recruitment and outreach purposes. The 4-Site CD Rom should be completed in the 2nd Quarter of 2003.

General and Administration:

Administration:

87. Adopt an annual budget and submit to the State by December 15.

CVRF prepared the 2003 budget and the board approved it in November of 2002. The budget was submitted to the State by the December 15 deadline.

88. Monitor the budget to actual comparisons and make revisions as necessary to allow for unexpected items or changes in the expectations for the year. This monitoring process should include monitoring both by staff on a frequent basis and monitoring by the board of directors by presenting the budget to actual reports to the board at board meetings.

CVRF has submitted monthly budget-to-actual reports to the board Treasurer, in addition to providing quarterly budget-to-actual reports to the full board. Staff review budget to actual reports on a monthly or as-needed basis. Revisions will be made to the 2003 budget as they are deemed necessary.

89. As a compliment to CVRF's sophisticated budgeting process, CVRF will develop monthly cash flow projections.

At the same time that CVRF's budgets are prepared, cash flow estimates are also prepared. The cash flow estimates are adjusted as revisions to the budgets are made.

90. Prepare monthly consolidated financial statements for review by CVRF management and the CVRF board treasurer.

Monthly financial statements have been sent to the board treasurer and given to the finance director for review. Quarterly financial statements are also presented to the full board at the meetings.

91. Continue to develop and maintain the written CVRF accounting procedures.

Accounting procedures were written for all major accounting functions in 2001. CVRF continues to improve upon the procedures and update the memos for changes made.

92. Submit quarterly and annual reports, financial audits, and meet other regulatory deadlines.

The 1st Quarter report is being submitted on time for 2003. The 2002 annual audit and agreed upon procedures audit were started in March 2003 and are soon to be completed. Coastal Villages has met all regulatory deadlines.

93. Conduct a minimum of four full board meetings a year and other executive board or subsidiary board meetings as needed.

The CVRF Full Board met in March 2003 in Bethel. The CVRF Full Board expects to meet in June, August, and November. The Executive Board met January 25, January 31, February 7, and March 25, 2003.

94. Prior to all full board meetings, provide board packets to all board members.

Each Board of Director receives a board packet in the mail prior to a full board meeting for review so that they are prepared for the board meeting.

95. Prepare all election process materials according to the corporate bylaws and Alaska Statutes, for distribution to each community's governing body that have a seat up for re-election by August 1st of each year.

No activity in the 1st Quarter.

96. Follow the State CDQ requirements that state that an elected representative from the community is a domiciled resident of that community and all board members are from the region.

All 21 Board Members are domiciled in the CVRF communities.

97. Monitor the quarterly board members communication to their governing body to ensure communities are being informed of activities and accomplishments of CVRF and subsidiaries.

A summary of the 1st Quarter board meeting was sent out to all the board members to be delivered to their communities.

98. Continue to monitor and analyze the operations of the company in terms of staffing, and add new positions when necessary in order to continue to improve the efficiency and effectiveness of operations.

Coastal Villages maintains the required staffing levels as necessary to carry out efficient business results and only expands when needed. In the 1st Quarter of 2003, Coastal Villages recruited and hired a General Accountant, a Business Development Specialist, and 9 Community Liaisons.

99. Complete annual performance evaluations of CVRF staff.

CVRF maintains records of evaluation due dates at the corporate headquarters. The supervisors are notified when staff evaluations are due. Evaluations are completed annually for all staff and kept in their personnel files.

Cash Management and Investments:

100. All investments are to be made in compliance with CVRF investment policy.

Coastal Villages has not opened any new investment accounts in 2003, but is in the process of making at least one new investment in a fishing company. CVRF is in compliance with its investment policy (investment policy can be found in the 2003-2005 CDP).

101. All investible cash and cash equivalents will be invested with the intent to earn a reasonable rate of return in relation to the current market conditions for short and long term holdings.

Liquid cash not needed for operations is held partly in money markets and partly in corporate and government bonds. The money market rate currently is less than two percent. The return on the long term investments in corporate and government bonds was approximately 4.2 percent for 1st Quarter 2003.

102. CVRF will complete its due diligence for all investments made in companies or in vessels.

As of the writing of this report, CVRF has closed on one transaction, is currently in the process of finalizing another transaction, and is negotiating on another transaction. CVRF has completed all or virtually all of its due diligence for all three transactions. All due diligence will be completed before closing any transaction.

103. CVRF will review and analyze monthly cash flow projections and budget to actual reports to manage its cash flow and to determine the cash needs for investing.

Cash flow needs are analyzed on an on-going basis. CVRF prepares monthly cash flow projections, which are based on the approved budget, and compares them to actual results for the month. CVRF also prepares quarterly budget to actual reports and analyzes any material discrepancies. CVRF has revised the cash flow projections to compensate for actual results and changes in the 2003 budget. See also discussions on the budget and cash flow projections in numbers 87 – 89 above.

CDQ Contract Management:

104. CVRF will ensure that each royalty contract with harvesting partners is in full force and effect and regulatory requirements are met.

In the 1st Quarter, all CVRF royalty contracts were in full force and effect, and regulatory requirements were met.

105. Obtain approvals for amendments to the royalty contracts as necessary and appropriate.

In the 1st Quarter, no amendments to CVRF royalty contracts were necessary.

106. Monitor performance of harvesting partners and inform them of compliance issues.

In the 1st Quarter, all CVRF royalty contracts were in full force and effect, and regulatory requirements were met.

CDQ Quota Management

107. CVRF will allocate its allocations among its harvest partners and monitor the harvest of all allocations.

In the 1st Quarter, all CVRF budgeted its 2003 CDQ allocation according to historical bycatch and current royalty contracts. CDQ allocations were monitored as necessary.

108. Prepare CDQ harvest activity and status reports.

In the 1st Quarter, CVRF prepared CDQ harvest activity and status reports as necessary.

109. Ensure that CVRF is in compliance with Federal, State, local regulatory and legal requirements.

All CVRF royalty contracts contain language requiring harvest partners to be in compliance with federal, State and local regulatory and other legal requirements. No instances of non-compliance were noted in the 1st Quarter.

B. Outreach

Outreach activities in the 1st Quarter of 2003:

- The CVRF Rural Recruiter, Employment Coordinator and Community Liaison recruited at CVRF member communities and surrounding communities for the 2003 CVS salmon and halibut operations and other fishing industry partners.
- Community Program Managers and Employment Coordinator traveled to CVRF member communities to recruit for Community Liaisons, CVS salmon and halibut processors, refrigeration, fillet and mince, and HAACP training, and gave 4-site presentations at local schools.
- Verla Mojin and Valerie Maxie attended and made presentations to the Youth and Elders Conference in Napaskiak.
- Community Program Managers and Employment Coordinator met with the Kuskokwim Campus, Lower Kuskokwim School District, Alaska Job Service, AVCP Employment and Training Dept., and the State of Alaska scholarship administrator during their recruiting trips.
- The CVRF Newsletter was distributed in February of 2003.
- The Loan Program and the LBMS sponsored the Native News on KYUK and KSKD radio stations.
- Newspaper ads were put in the Delta Discovery and Tundra Drums for the Louis Bunyan Memorial Scholarship and Loan Program deadlines, Community Liaison positions, and recruitment for the CVS salmon season.
- CVRF participated in a Bowl-a-thon to help fund raise for Junior Achievement.
- Greg Slats and Tim Samson made a presentation at the Kipnuk Council Meeting.
- The LBMS segment was aired on Heartbeat Alaska.

C. Employment

1. Data Form	<u>1st Quarter</u>		<u>2nd Quarter</u>		<u>3rd Quarter</u>		<u>4th Quarter</u>		<u>Year-to-date</u>	
	<u>People</u>	<u>Wages</u>	<u>People</u>	<u>Wages</u>	<u>People</u>	<u>Wages</u>	<u>People</u>	<u>Wages</u>	<u>People</u>	<u>Wages</u>
CVRF:										
Program, General & Administrative	32	\$ 296,787	-	\$ -	-	\$ -	-	\$ -	-	296,787
CVS:										
Onshore (Fishermen-Halibut)	-	-	-	-	-	-	-	-	-	-
Onshore (Fishermen-Salmon)	-	-	-	-	-	-	-	-	-	-
Onshore (Fishermen-Herring)	-	-	-	-	-	-	-	-	-	-
Salmon & Halibut (CVS Mgmt.)	3	20,347	-	-	-	-	-	-	-	20,347
Processors & Misc. Jobs (CVS)	2	3,323	-	-	-	-	-	-	-	3,323
CDQ Pollock Related:										
American	26	63,570	-	-	-	-	-	-	-	63,570
Westward (non CDQ)	14	56,247	-	-	-	-	-	-	-	56,247
Highland Light	-	-	-	-	-	-	-	-	-	-
Icicle	-	-	-	-	-	-	-	-	-	-
Other Fishing:										
Sablefish/Halibut (Ocean Harvester)	1	-	-	-	-	-	-	-	-	-
Hake (American)	-	-	-	-	-	-	-	-	-	-
Crab, Cod, Sea Urchin & Other (Icicle)	1	3,064	-	-	-	-	-	-	-	3,064
Crab, Cod & Sea Urchin (Silver Spray)	-	-	-	-	-	-	-	-	-	-
Crab, Cod & Sea Urchin (Prowler Fisheries)	1	-	-	-	-	-	-	-	-	-
Other Employment:										
CVRF (contract)	-	-	-	-	-	-	-	-	-	-
Plant Operations (Westward)	-	-	-	-	-	-	-	-	-	-
Internships:										
CVRF	1	796	-	-	-	-	-	-	-	796
CVS	-	-	-	-	-	-	-	-	-	-
Westward	-	-	-	-	-	-	-	-	-	-
Icicle	-	-	-	-	-	-	-	-	-	-
American	-	-	-	-	-	-	-	-	-	-
TOTAL	81	\$ 444,134	-	\$ -	-	\$ -	-	\$ -	-	\$ 444,134

C. Employment, continued

2. Summary

CVS RELATED

Salmon and Halibut (CVS Management) – Earnings are reported as paid. There were 3 management positions that included the CVS Superintendent, Plant Manager and the Assistant Plant Manager.

Processors & Misc. Jobs (CVS) – Earnings are reported as paid. There were 2 miscellaneous positions that included the CVS Expeditor and the Winter Watchman in Quinhagak.

CDQ POLLOCK RELATED

American Seafoods Company – Earnings are reported as paid to 26 CVRF residents.

Westward Seafoods, Inc – Earnings are reported as paid to 9 CVRF residents, and 5 neighboring community residents.

OTHER FISHING

Offshore (OH) – Kokopelli hired 1 CVRF member from Hooper Bay for repair and maintenance of the vessel. Earnings have not been reported to date.

Crab, Cod & Sea Urchin (Icicle) –Earnings are reported as paid to 1 CVRF member from Hooper Bay.

Crab, Cod and Sea Urchin (Prowler Fisheries) – 1 CVRF crewmember from Mekoryuk was employed but earnings have not been reported to date.

OTHER EMPLOYMENT

Westward Seafoods, Incorporated – 1 individual from Mekoryuk was permanently placed as an Assistant Operations Manager. Information is no longer reported on the employment table. Resident has taken full-time job and residency in Seattle.

INTERNSHIPS

CVRF – Earnings are reported as paid to one Administrative Assistant Intern.

D. Training

1. Data form	<u>1st Quarter</u>		<u>2nd Quarter</u>		<u>3rd Quarter</u>		<u>4th Quarter</u>		<u>Year-to-date</u>	
	<u>People</u>	<u>Expenditures</u>	<u>People</u>	<u>Expenditures</u>	<u>People</u>	<u>Expenditures</u>	<u>People</u>	<u>Expenditures</u>	<u>People</u>	<u>Expenditures</u>
Scholarships										
Postsecondary	34	\$ 47,947	-	\$ -	-	\$ -	-	\$ -	-	\$ 47,947
Vocational	5	7,500	-	-	-	-	-	-	-	7,500
		-								
Voc-Tech Classes										
Basic	-	-	-	-	-	-	-	-	-	-
Advanced	-	-	-	-	-	-	-	-	-	-
Other Training										
Fisheries related	41	64,458	-	-	-	-	-	-	-	64,458
Student Loans	-	-	-	-	-	-	-	-	-	-
CDQ Staff/Board/Interns	17	15,093	-	-	-	-	-	-	-	15,093
Other		-	-	-	-	-	-	-	-	-
Other Expenditures										
To Educational Institutions	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-
Educational Endowment Funds	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-
Other	<u>N/A</u>	<u>-</u>	<u>N/A</u>	<u>-</u>	<u>N/A</u>	<u>-</u>	<u>N/A</u>	<u>-</u>	<u>N/A</u>	<u>-</u>
TOTAL	<u>97</u>	<u>\$ 134,998</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>134,998</u>

D. Training, continued

2. Summary

SCHOLARSHIPS

The Louis Bunyan Memorial Scholarship awarded 34 applicants for postsecondary education and 5 applicants for vocational training for the 2003 Spring Semester totaling \$55,447.

OTHER TRAINING

Fisheries Related

- 8 CVRF members attended a Loan Training held in Bethel.
- 12 CVS participants attended the Fillet and Mince Training held in Anchorage.
- 6 CVS participants attended the Refrigeration Training held in Anchorage.
- 15 new crewmembers attended an Orientation for Success held in Bethel.

CDQ STAFF/BOARD/INTERNS

- 2 CVRF staff attended a Loan Training in Bethel.
- 3 staff members attended the Orientation for Success training in Bethel.
- 1 board member attended a Board Training in Qunault, Washington.
- CVRF controller attended two trainings on How to Reinvent Corp. Management Reporting and Unlocking the Secrets of a Useful Budget.
- 13 staff members attended the New Community Liaison Training in Bethel.
- 1 Community Program Manager and 4 Community Liaisons attended the READ Training at the Kuskokwim University Campus in Bethel.

E. Other Issues

None noted.

III. Administration

A. State of Alaska Reporting Compliance

1. Board Member Changes:

The Executive Committee was elected in November 2002 for a one-year term:

Howard Amos, President
Simeon John, Vice President
Helen Kaganak, Secretary
Tim Samson, Treasurer
Paul Tulik, At Large, Sergeant At Arms
Wassilie Bavilla, At Large
Oscar Evon, At Large

In the 1st Quarter two communities filled vacant seats – Hooper Bay and Tununak. Eric Olson was elected to fill resignee Edgar Hoelscher's remaining term through 2004. Andy Charlie was elected to fill resignee James James' remaining term through 2005.

2. Decisions.

See confidential section.

3. Minutes from any meetings.

See confidential section.

B. State of Alaska Reporting Compliance

CVRF submitted all of its 2002 reports in a timely manner, and will submit this 1st Quarter 2003 report on time. Additionally, CVRF submitted amendments as required under state and federal regulations.

C. Amendment Status

Several amendments were submitted during the 1st Quarter 2003.

Transfer of pollock from BBEDC:

During January 2003 CVRF submitted amendment #2003-01CV for approval requesting the transfer of 11,000 MT of BBEDC's pollock allocation to CVRF. This amendment was approved.

Transfer of various species to BBEDC:

During January 2003 CVRF submitted amendment #2003-02CV for approval requesting the transfer of various species, to include Atka Mackerel, Pacific ocean perch, groundfish, and related bycatch to BBEDC. This amendment was approved.

Transfer of pollock from CBSFA:

During January 2003 CVRF submitted amendment #2003-03CV for approval requesting the transfer of CBSFA's pollock allocation to CVRF. This amendment was approved.

Alaskan Enterprise and Karin Lynn:

During February 2003 CVRF submitted amendment #2003-04CV for approval for the purchase of the crab boats Alaskan Enterprise and Karin Lynn. This amendment was approved.

Transfer of various species to BBEDC:

During February 2003 CVRF submitted amendment #2003-05CV for approval requesting the additional transfer of various species, to include Atka Mackerel, Pacific ocean perch, groundfish, and related bycatch to BBEDC. This amendment was approved.

Annual Housekeeping:

During February 2003 CVRF submitted amendment #2002-06CV for the annual housekeeping. This amendment highlights the changes in the board membership, changes in key staff, changes in subsidiaries, and changes to harvesting contracts. This amendment was approved.

#2003-06CV:

During March 2003 CVRF submitted amendment #2003-06CV (duplicate number). This transaction is confidential until closing. This amendment was approved.

Transfer of opilio crab from YDFDA:

During February 2003 CVRF submitted amendment #2003-07CV for approval requesting the transfer of 1,843 pounds of YDFDA's opilio crab to CVRF. This amendment was not required to be submitted to the State but was approved by Alaska Department of Fish and Game.

Transfer of pollock from NSEDC:

During March 2003 CVRF submitted amendment #2003-08CV for approval requesting the transfer of 1,500 MT of NSEDC's pollock allocation to CVRF. This amendment was approved.

Mekoryuk Reindeer Project:

During March 2003 CVRF informally submitted amendment #2003-09CV requesting for CVRF to participate/invest in the Mekoryuk Reindeer Project. CVRF is currently in discussions with oversight and is looking forward to beginning this project.

Transfer of other species to BBEDC:

During March 2003 CVRF submitted amendment #2003-10CV for approval requesting the transfer of 10 MT of CVRF's other species allocation to BBEDC. This amendment was approved.

D. Other Issues

None noted.

IV. Harvesting Report

A. Pollock & Multi-species CDQ Harvest Activities by Target Fishery

CVRF Pollock Target Fishery Harvest Activity								
First Quarter as of March 31, 2003								
CDQ Reserve Category	Units	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	% of Target Harvest
A Season (40%)	mt	23,204.416	23,175.841				23,175.841	99.9%
B Season (60%)	mt	32,556.624	0.000				0.000	0.0%
BS Pollock Total	mt	55,761.040	23,175.841	0.000	0.000	0.000	23,175.841	41.6%
Bycatch								
Pacific Cod	mt	2,749.340	99.025				99.025	3.60%
BS FG Sablefish	mt	-	0.023				0.023	0.00%
AI FG Sablefish	mt	121.800	-				-	0.00%
BS Sablefish	mt	8.502	-				-	0.00%
AI Sablefish	mt	3.790	-				-	0.00%
WAI Atka Mackerel 543	mt	4.850	-				-	0.00%
CAI Atka Mackerel 542	mt	5.300	-				-	0.00%
EAI/BS Atka Mackerel 541	mt	11.128	0.009				0.009	0.08%
Yellowfin Sole	mt	131.885	0.441				0.441	0.33%
Rock Sole	mt	157.000	27.803				27.803	17.71%
BS Greenland Turbot	mt	17.170	-				-	0.00%
AI Greenland Turbot	mt	9.820	-				-	0.00%
Arrowtooth Flounder	mt	95.950	4.287				4.287	4.47%
Flathead Sole	mt	180.000	22.966				22.966	12.76%
Other Flatfish	mt	25.250	1.355				1.355	5.37%
Alaska Plaice	mt	48.750	0.120				0.120	0.25%
BS Pacific Ocean Perch	mt	10.360	0.416				0.416	4.02%
WAI Pacific Ocean Perch 543	mt	2.600	-				-	0.00%
CAI Pacific Ocean Perch 542	mt	5.400	-				-	0.00%
EAI Pacific Ocean Perch 541	mt	7.200	-				-	0.00%
AI Northern Rockfish	mt	26.150	-				-	0.00%
AI Shortraker/Rougheye Rockfish	mt	10.540	-				-	0.00%
BS Other Rockfish	mt	6.940	0.601				0.601	8.66%
AI Other Rockfish	mt	7.660	-				-	0.00%
Other Species	mt	351.528	17.419				17.419	4.96%
Total	mt						23,350.306	
PSQ Reserve Category								
Zone 1 Red King Crab	ea	436	-				-	0.00%
Zone 1 Bairdi Tanner Crab	ea	2,951	34				34	1.14%
Zone 2 Bairdi Tanner Crab	ea	12,255	-				-	0.00%
Opilio Tanner Crab	ea	16,429	13				13	0.08%
Pacific Halibut (mortality)	mt	41.160	1.861				1.861	4.52%
Chinook Salmon	ea	840	743				743	88.45%
Non-Chinook Salmon	ea	950	-				-	0.00%

CVRF Pacific Cod Target Fishery Harvest Activity								
First Quarter as of March 31, 2003								
CDQ Reserve Category	Units	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	% of Target Harvest
A Season (60%)	mt	1,649.604	776.033				776.033	47.04%
B Season (40%)	mt	1,099.736	-				-	0.00%
Pacific Cod Total	mt	2,749.340	776.033	-	-	-	776.033	28.23%
Bycatch								
Non Pollock Quota	mt	-	-				-	0.00%
BS FG Sablefish	mt	-	-				-	0.00%
AI FG Sablefish	mt	121.800	-				-	0.00%
BS Sablefish	mt	8.502	-				-	0.00%
AI Sablefish	mt	3.790	-				-	0.00%
WAI Atka Mackerel 543	mt	4.850	-				-	0.00%
CAI Atka Mackerel 542	mt	5.300	-				-	0.00%
EAI/BS Atka Mackerel 541	mt	11.128	-				-	0.00%
Yellowfin Sole	mt	131.885	0.020				0.020	0.02%
Rock Sole	mt	157.000	1.409				1.409	0.90%
BS Greenland Turbot	mt	17.170	-				-	0.00%
AI Greenland Turbot	mt	9.820	-				-	0.00%
Arrowtooth Flounder	mt	95.950	1.199				1.199	1.25%
Flathead Sole	mt	180.000	3.882				3.882	2.16%
Other Flatfish	mt	25.250	0.101				0.101	0.40%
Alaska Plaice	mt	48.750	-				-	0.00%
BS Pacific Ocean Perch	mt	10.360	-				-	0.00%
WAI Pacific Ocean Perch 543	mt	2.600	-				-	0.00%
CAI Pacific Ocean Perch 542	mt	5.400	-				-	0.00%
EAI Pacific Ocean Perch 541	mt	7.200	-				-	0.00%
AI Northern Rockfish	mt	26.150	-				-	0.00%
AI Shortraker/Rougheye Rockfish	mt	10.540	-				-	0.00%
BS Other Rockfish	mt	6.940	0.025				0.025	0.36%
AI Other Rockfish	mt	7.660	-				-	0.00%
Other Species	mt	351.528	99.968				99.968	28.44%
Total	mt						882.637	
PSQ Reserve Category								
Zone 1 Red King Crab	ea	436	-				-	0.00%
Zone 1 Bairdi Tanner Crab	ea	2,951	24				24	0.81%
Zone 2 Bairdi Tanner Crab	ea	12,255	-				-	0.00%
Opilio Tanner Crab	ea	16,429	-				-	0.00%
Pacific Halibut (mortality)	mt	41.160	1.069				1.069	2.60%
Chinook Salmon	ea	840	-				-	0.00%
Non-Chinook Salmon	ea	950	-				-	0.00%

CVRF Halibut Harvest Activity

First Quarter as of March 31, 2003

CDQ Reserve Category	Units	Annual Allocation	Transferred In	Transferred Out	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	Percent Harvested	Remaining Allocation
Halibut - 4B	lbs	-	-	-	-	-				-	-	-
Halibut - 4C	lbs	-	-	-	-	-				-	-	-
Halibut - 4D	lbs	146,160	-	-	146,160	-				-	-	146,160
Halibut - 4E	lbs	273,000	-	-	273,000	-				-	-	273,000

CVRF Crab Harvest Activity

First Quarter as of March 31, 2003

CDQ Reserve Category	Units	Annual Allocation	Transferred In	Transferred Out	Allocation after transfers	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD Harvest	CVRF Harvested	YDFDA Harvested	Percent Harvested	Remaining Allocation
Bering Sea <i>C. Opilio</i> (snow) Tanner crab	lbs	360,508	1,843	-	362,351	362,123				362,123	360,394	1,729	99.94%	228
Bering Sea <i>C. Bairdi</i> Tanner crab	lbs	-	-	-	-	-				-	-	-	-	-
Bristol Bay Red King crab	lbs	-	-	-	-	-				-	-	-	-	-
Norton Sound Red King crab	lbs	-	-	-	-	-				-	-	-	-	-
Pribilof Red & Blue King crab	lbs	-	-	-	-	-				-	-	-	-	-
St Matthew Blue King crab	lbs	-	-	-	-	-				-	-	-	-	-

A. Summary, continued

Pollock – The C/Ps American Triumph, American Dynasty, Northern Eagle, Northern Jaeger, Ocean Rover and Northern Hawk harvested 99.9% of CVRF's 'A' season pollock in the 1st Quarter. There were no unusual bycatch issues associated with this fishery.

Pacific cod – The F/V Deep Pacific and F/V North Cape harvested 43% of CVRF's 'A' season Pacific cod in the 1st Quarter. There were no unusual bycatch issues associated with this fishery.

FG Sablefish-AI – There was no activity in this CDQ fishery in the 1st Quarter.

Halibut – Area 4D – There was no activity in this CDQ fishery in the 1st Quarter.

Halibut – Area 4E – There was no activity in this CDQ fishery in the 1st Quarter.

Atka mackerel/POP – The F/T Seafreeze Alaska harvested 15.16% of CVRF's Atka mackerel and 21.02% of CVRF's pacific ocean perch (POP) targeted quota in 2003. CVRF transferred its available targeted Atka mackerel and POP to BBEDC. Please see their 1st Quarter 2003 report for additional harvest information.

Flathead/Rock/Yellowfin sole – There was no activity in this CDQ fishery in the 1st Quarter.

Snow/Tanner crab (*Opilio*) – The C/P Alaskan Enterprise harvested 360,394 pounds (99.97%) of CVRF's *Opilio* Tanner crab in the 1st Quarter. This vessel also harvested 1,729 of 1,843 pounds transferred in from YDFDA.

Bristol Bay Red King crab – There was no activity in this CDQ fishery in the 1st Quarter.

B. CDQ Harvest by Quarter and Year-to-Date

MS CDQ / PSQ Account Status Report 2003													
CDQ Group: CVRF	Units	Initial Allocation	Transferred In	Transferred Out	Allocation after transfers	CDQ / PSQ Catch Reported				YTD Harvest	Percent Harvested	CDQ / PSQ Remaining	Percent Remaining
CDQ Reserve Category						1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Harvest			
BS Pollock	mt	35,802.240	19,958.800	-	55,761.040	23,175.841				23,175.841	41.56%	32,585.199	58.44%
Pacific Cod	mt	2,801.340	63.000	115.000	2,749.340	875.058				875.058	31.83%	1,874.282	68.17%
BS FG Sablefish	mt	-	-	-	-	-				-	0.00%	-	0.00%
AI FG Sablefish	mt	125.550	-	3.750	121.800	-				-	0.00%	121.800	100.00%
BS Sablefish	mt	14.170	-	5.668	8.502	0.023				0.023	0.27%	8.479	99.73%
AI Sablefish	mt	7.540	-	3.750	3.790	-				-	0.00%	3.790	100.00%
WAI Atka Mackerel 543	mt	224.850	-	220.000	4.850	-				-	0.00%	4.850	100.00%
CAI Atka Mackerel 542	mt	330.300	-	325.000	5.300	-				-	0.00%	5.300	100.00%
EAI/BS Atka Mackerel 541	mt	119.850	1.278	110.000	11.128	0.009				0.009	0.08%	11.119	99.92%
Yellowfin Sole	mt	376.860	25.025	270.000	131.885	0.461				0.461	0.35%	131.424	99.65%
Rock Sole	mt	363.000	49.000	255.000	157.000	29.212				29.212	18.61%	127.788	81.39%
BS Greenland Turbot	mt	34.170	-	17.000	17.170	2.865				2.865	16.69%	14.305	83.31%
AI Greenland Turbot	mt	17.820	-	8.000	9.820	-				-	0.00%	9.820	100.00%
Arrowtooth Flounder	mt	99.450	16.000	19.500	95.950	5.486				5.486	5.72%	90.464	94.28%
Flathead Sole	mt	225.000	57.000	102.000	180.000	26.848				26.848	14.92%	153.152	85.08%
Other Flatfish	mt	18.000	8.500	1.250	25.250	1.456				1.456	5.77%	23.794	94.23%
Alaska Plaice	mt	180.000	8.750	140.000	48.750	0.120				0.120	0.25%	48.630	99.75%
BS Pacific Ocean Perch	mt	22.260	1.900	13.800	10.360	0.416				0.416	4.02%	9.944	95.98%
WAI Pacific Ocean Perch 543	mt	65.850	-	63.250	2.600	-				-	0.00%	2.600	100.00%
CAI Pacific Ocean Perch 542	mt	37.650	-	32.250	5.400	-				-	0.00%	5.400	100.00%
EAI Pacific Ocean Perch 541	mt	39.450	-	32.250	7.200	-				-	0.00%	7.200	100.00%
AI Northern Rockfish	mt	66.150	-	40.000	26.150	-				-	0.00%	26.150	100.00%
AI Shortraker/Rougheye Rockfish	mt	10.540	-	-	10.540	-				-	0.00%	10.540	100.00%
BS Other Rockfish	mt	12.240	0.700	6.000	6.940	0.626				0.626	9.02%	6.314	90.98%
AI Other Rockfish	mt	8.160	-	0.500	7.660	-				-	0.00%	7.660	100.00%
Other Species	mt	329.528	32.000	10.000	351.528	117.387				117.387	33.39%	234.141	66.61%
PSQ Reserve Category													
Zone 1 Red King Crab	ea	873	-	437	436	-				-	0.00%	436	100.00%
Zone 1 Bairdi Tanner Crab	ea	5,880	11	2,940	2,951	34				34	1.14%	2,917	98.86%
Zone 2 Bairdi Tanner Crab	ea	24,503	2	12,250	12,255	24				24	0.19%	12,231	99.81%
Opilio Tanner Crab	ea	32,625	117	16,313	16,429	13				13	0.08%	16,416	99.92%
Pacific Halibut (mortality)	mt	41.160	6.000	6.000	41.160	2.930				2.930	7.12%	38.230	92.88%
Chinook Salmon	ea	594	246	-	840	742				742	88.38%	98	11.62%
Non-Chinook Salmon	ea	756	194	-	950	123				123	12.90%	827	87.10%
Non-Specific Reserve	mt	75.702	-	-	75.702	-				-	0.00%	75.702	100.00%

CVRF Pollock Target Fishery Harvest Activity
First Quarter as of March 31, 2003

CDQ Reserve Category	Units	Initial Allocation Amount	Transferred In	Transferred In	Transferred In	Transferred Out	Allocation after	Portion of CDQ Group's Transferred Quota Harvested				Harvested Total	% of Target Harvest
			NSEDC	CBSFA	BBEDC		transfers	NSEDC	CBSFA	BBEDC	CVRF		
BS Pollock	mt	35,802.240	1,500.000	7,458.800	11,000.000	-	55,761.040	1,498.128	2,980.276	4,394.509	14,302.928	23,175.841	41.56%
Pacific Cod	mt	2,801.340	-	20.000	43.000	115.000	2,749.340	-	20.000	43.000	812.057	875.058	31.83%
BS FG Sablefish	mt	-	-	-	-	-	-	-	-	-	-	-	0.00%
AI FG Sablefish	mt	125.550	-	-	-	3.750	121.800	-	-	-	-	-	0.00%
BS Sablefish	mt	14.170	-	-	-	5.668	8.502	-	-	-	0.023	0.023	0.27%
AI Sablefish	mt	7.540	-	-	-	3.750	3.790	-	-	-	-	-	0.00%
WAI Atka Mackerel 543	mt	224.850	-	-	-	220.000	4.850	-	-	-	-	-	0.00%
CAI Atka Mackerel 542	mt	330.300	-	-	-	325.000	5.300	-	-	-	-	-	0.00%
EAI/BS Atka mackerel 541	mt	119.850	-	1.278	0.100	110.000	11.228	-	0.001	0.002	0.006	0.009	0.08%
Yellowfin Sole	mt	376.860	-	5.025	20.000	270.000	131.885	-	0.059	0.088	0.314	0.461	0.35%
Rock Sole	mt	363.000	-	18.000	31.000	255.000	157.000	-	3.768	5.550	19.893	29.212	18.61%
BS Greenland Turbot	mt	34.170	-	-	-	17.000	17.170	-	-	-	2.865	2.865	16.69%
AI Greenland Turbot	mt	17.820	-	-	-	8.000	9.820	-	-	-	-	-	0.00%
Arrowtooth Flounder	mt	99.450	-	8.000	8.000	19.500	95.950	-	0.708	1.042	3.736	5.486	5.72%
Flathead Sole	mt	225.000	-	27.000	30.000	102.000	180.000	-	3.463	5.101	18.283	26.848	14.92%
Other Flatfish	mt	18.000	-	4.500	4.000	1.250	25.250	-	0.188	0.277	0.992	1.456	5.77%
Alaska Plaice	mt	180.000	-	3.750	5.000	140.000	48.750	-	0.015	0.023	0.082	0.120	0.25%
BS Pacific Ocean Perch	mt	22.260	-	1.000	0.900	13.800	10.360	-	0.054	0.079	0.283	0.416	4.02%
WAI Pacific Ocean Perch 543	mt	65.850	-	-	-	63.250	2.600	-	-	-	-	-	0.00%
CAI Pacific Ocean Perch 542	mt	37.650	-	-	-	32.250	5.400	-	-	-	-	-	0.00%
EAI Pacific Ocean Perch 541	mt	39.450	-	-	-	32.250	7.200	-	-	-	-	-	0.00%
AI Northern Rockfish	mt	66.150	-	-	-	40.000	26.150	-	-	-	-	-	0.00%
BS Other Rockfish	mt	12.240	-	0.400	0.300	6.000	6.940	-	0.081	0.119	0.426	0.626	9.02%
AI Other Rockfish	mt	8.160	-	-	-	0.500	7.660	-	-	-	-	-	0.00%
Other Species	mt	329.528	-	13.000	19.000	10.000	351.528	-	13.000	19.000	85.388	117.387	33.39%
Total	mt											24,235.808	
PSQ Reserve Category													
Zone 1 Red King Crab	ea	873	-	-	-	437	436	-	-	-	-	-	0.00%
Zone 1 Bairdi Tanner Crab	ea	5,880	-	8	3	2,940	2,951	-	4	3	26	34	1.14%
Zone 2 Bairdi Tanner Crab	ea	24,503	-	2	-	12,250	12,255	-	2	0	22	24	0.19%
Opilio Tanner Crab	ea	32,625	-	52	65	16,313	16,429	-	2	2	9	13	0.08%
Pacific Halibut (mortality)	mt	41.160	-	3.500	2.500	6.000	41.160	-	0.378	0.557	1.995	2.930	7.12%
Chinook Salmon	ea	594	-	124	122	-	840	-	96	122	525	742	88.38%
Non-Chinook Salmon	ea	756	-	139	55	-	950	-	16	23	83	123	12.90%

C. Compliance

No other compliance issues arose during the 1st Quarter.

D. Other Fishing Issues/Activities

None Noted.